

House Study Bill 585

SENATE/HOUSE FILE _____
BY (PROPOSED IOWA FINANCE
AUTHORITY BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act limiting the portion of the state ceiling that can be
2 allocated for a single project.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5385XD 82
5 tw/nh/5

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1 1 Section 1. Section 7C.4A, subsection 5, Code 2007, is
1 2 amended to read as follows:
1 3 5. Eighteen percent of the state ceiling shall be
1 4 allocated to bonds issued by political subdivisions to finance
1 5 a qualified industry or industries for the manufacturing,
1 6 processing, or assembly of agricultural or manufactured
1 7 products even though the processed products may require
1 8 further treatment before delivery to the ultimate consumer.
1 9 No single project allocated a portion of the state ceiling
1 10 pursuant to this subsection shall be allocated state ceiling
1 11 in excess of ten million dollars in any calendar year.
1 12 Sec. 2. Section 7C.4A, subsection 7, paragraph a, Code
1 13 2007, is amended to read as follows:
1 14 a. The amount of the state ceiling which is not otherwise
1 15 allocated under subsections 1 through 5, and after June 30,
1 16 the amount of the state ceiling reserved under subsection 6
1 17 and not allocated, shall be allocated to all bonds requiring
1 18 an allocation under section 146 of the Internal Revenue Code
1 19 without priority for any type of bond over another, except as
1 20 otherwise provided in sections 7C.5 and 7C.11. No single
1 21 project allocated a portion of the state ceiling pursuant to
1 22 this subsection shall be allocated state ceiling in excess of
1 23 ten million dollars in any calendar year.

1 24 EXPLANATION

1 25 This bill relates to the state ceiling amount for bonds
1 26 issued by political subdivisions.
1 27 Currently, for bonds issued to finance certain qualified
1 28 industries, there is no limit on the amount of a bond that can
1 29 be allocated a portion of the state ceiling. This means that
1 30 the entire amount of the ceiling could be allocated to a
1 31 single large project.
1 32 The bill limits to \$10 million the amount from a single
1 33 project that can be allocated a portion of the state ceiling
1 34 in a calendar year.
1 35 LSB 5385XD 82
2 1 tw/nh/5.1